

Procedures When Payments Have Been Applied to the Wrong Case¹

Basic Principles

- Payments should be shown in the case to which they apply.
- If a payment has been receipted in the wrong case, that payment should be reversed from the case to which it was applied in error and re-receipted in the correct case. Use detailed docket notes to be clear about what happened.
- To preserve the transaction trail and integrity of court records, transactions should not be backdated or deleted. All receipting and payment related transactions should be dated on the date the entry is made.
- The system should be programmed to adjust the payment allocation in the daily accounting records on the date the adjustment is made. (The CORIS and Caselle case management systems are programmed this way.) For example, if a payment is reversed with \$37.04 fine and \$12.96 surcharge, these amounts will be subtracted from the fine and surcharge collected that same date or balancing period.

For courts using the Caselle case management system, it is important that the adjustment be made through the *Cash Receipting* module by entering a void transaction.

- If the payment that needs to be reversed was receipted in a prior monthly reporting period, the surcharge, etc. remitted to the State Treasurer or other entity will be deducted from the amounts in the current period so that the surcharge, etc. is not remitted twice. The system should be programmed to make this adjustment. (The CORIS and Caselle case management systems are programmed this way.)

Procedures

1. Reverse the payment that was applied in error. Obtain a supervisor or second clerk's approval, if possible. (See nos. 3 and 4 below.) For courts using the Caselle case management system, use the current date and reverse the payment by entering a void transaction in the *Cash Receipting* module. You will need to know the receipt number assigned to the payment when it was originally entered.
2. Using the current date, re-receipt the payment on the correct case.
3. For systems that do not allow the reason for the void to be recorded at the time the void is entered (for example, the Caselle case management system does not have this feature), record the reason for the void on the Void Receipts Log (available on the web at: www.utcourts.gov/courts/just/audit/forms.asp). In the court docket, also enter detailed docket notes to explain the events and cross-reference the case to which the payment will be applied. The Void Receipt Log is a way to record the reason for void transactions and document the supervisor or second person review discussed under no. 4.

¹ This document is available on the web at: <http://www.utcourts.gov/courts/just/audit/procedures.asp>. The procedures have been compiled from various resources, including various state laws and judicial rules applicable to justice court, the Suggested Accounting Procedures for Justice Courts, and the monograph published by the National Center for State Courts, Internal Control of Court-Collected Funds, by Robert W. Tobin.

4. A supervisor or second person should review all void transactions. Ideally, this would occur at the time the void is entered. If that is not possible, then the review should occur as soon as possible thereafter, during the daily balancing process, or when external review procedures are performed.